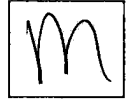


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-02472A
Mescal Lakes Water Systems Inc.
PO Box 85160
Tucson, AZ 85754

RECEIVED

MAY 11 2010

U.S. DEPARTMENT OF THE INTERIOR

WATER RESOURCES DIVISION

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
----	----	------

FOR COMMISSION USE

ANN 04	09
--------	----

4-5-10

COMPANY INFORMATION

Company Name (Business Name) Mescal Lakes Water Systems, Inc.		
Mailing Address 2102 N. Forbes, #107		
(Street)		
Tucson	AZ	85745
(City)	(State)	(Zip)
520-623-5172	520-792-0377	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		
Local Office Mailing Address same as above		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		

MANAGEMENT INFORMATION

Management Contact: Southwestern Utility Management, Inc.		
(Name) (Title)		
2102 N. Forbes, #107	Tucson	AZ
(Street)	(City)	(State)
85745		
(Zip)		
520-623-5172	520-792-0377	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		
On Site Manager: Keith Dojaquez		
(Name)		
2102 N. Forbes, #107	Tucson	AZ
(Street)	(City)	(State)
85745		
(Zip)		
520-623-5172	520-792-0377	
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address		

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

Statutory Agent Ezra H. Lewis			
(Name)			
2102 N. Forbes, #107	Tucson	AZ	85745
(Street)	(City)	(State)	(Zip)
520-623-5172	520-792-0377		
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney:			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone Number (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to you company:	
<input type="checkbox"/> Sole Proprietor (S) <input type="checkbox"/> Partnership (P) <input type="checkbox"/> Bankruptcy (B) <input type="checkbox"/> Receivership (R) <input type="checkbox"/> Other (Describe) _____	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-Op <input checked="" type="checkbox"/> Subchapter S Corporation (Z) <input type="checkbox"/> Association/Co-Op (A) <input type="checkbox"/> Limited Liability Company

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:		
<input type="checkbox"/> APACHE <input type="checkbox"/> GILA <input type="checkbox"/> LA PAZ <input type="checkbox"/> NAVAJO <input type="checkbox"/> SANTA CRUZ <input type="checkbox"/> STATEWIDE	<input checked="" type="checkbox"/> COCHISE <input type="checkbox"/> GRAHAM <input type="checkbox"/> MARICOPA <input type="checkbox"/> PIMA <input type="checkbox"/> YAVAPAI	<input type="checkbox"/> COCONINO <input type="checkbox"/> GREENLEE <input type="checkbox"/> MOHAVE <input type="checkbox"/> PINAL <input type="checkbox"/> YUMA

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D (OC less AD)
301	Organization	104	---	104
302	Franchises	250	---	250
303	Land and Land Rights	9063	---	9063
304	Structures and Improvements	34243	9583	24660
307	Wells and Springs	71569	28845	42724
311	Pumping Equipment	95938	36222	59716
320	Water Treatment Equipment	1562	152	1410
330	Distribution Reservoirs and Standpipes	127325	54406	72919
331	Transmission and Distribution Mains	542814	343210	199604
333	Services	104946	47128	57818
334	Meters and Meter Installations	51119	27109	24010
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1038933	546655	492278

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)*
301	Organization	104		
302	Franchises	250		
303	Land and Land Rights	9063		
304	Structures and Improvements	34243	5%	1298
307	Wells and Springs	71569	5%	2249
311	Pumping Equipment	95938	5%	3143
320	Water Treatment Equipment	1562	5%	74
330	Distribution Reservoirs and Standpipes	127325	5%	3838
331	Transmission and Distribution Mains	542814	5%	10506
333	Services	104946	5%	3043
334	Meters and Meter Installations	51119	5%	1264
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1038933		25415

This amount goes on Comparative statement of Income and Expense

Less: Amortization of Contributions in Aid of Construction

(198)
25217

*Depreciation for 2009 is calculated on O.C.L.D. x 5%.

See Accountants' Report.

BALANCE SHEET

Acct. No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 29433	\$ 45014
134	Working Funds		
135	Temporary Cash Investments	230058	270917
141	Customer Accounts Receivable	38563	23389
146	Notes/Receivables from Associated Companies	1736	---
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 299790	\$ 339320
	FIXED ASSETS		
101	Utility Plant in Service	\$ 1015699	\$ 1038933
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(521240)	(546655)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 494459	\$ 492278
	TOTAL ASSETS	\$ 794249	\$ 831598

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Mescal Lakes Water Systems, Inc.**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT LIABILITIES		
231	Accounts Payable	\$ (87)	\$ (12)
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	53020	52975
236	Accrued Taxes	821	387
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 53754	\$ 53350
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	343192	353882
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	145973	145973
272	Less: Amortization of Contributions	(142013)	(142211)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 347152	\$ 357644
	TOTAL LIABILITIES	\$ 400906	\$ 410994
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 100	\$ 100
211	Paid in Capital in Excess of Par Value	159638	159638
215	Retained Earnings	233605	260866
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 393343	\$ 420604
	TOTAL LIABILITIES AND CAPITAL	\$ 794249	\$ 831598

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 194390	\$ 201469
460	Unmetered Water Revenue		
474	Other Water Revenue	1400	1275
	TOTAL REVENUES	\$ 195790	\$ 202744
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	16123	18279
618	Chemicals	806	1845
620	Repairs and Maintenance	4585	3375
621	Office Supplies and Expense	2849	5126
630	Outside Services	73856	90293
635	Water Testing	1743	2113
641	Rents		
650	Transportation Expense	10539	14289
657	Insurance – General Liability	7535	7575
659	Insurance – Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	25309	25217
408	Taxes Other Than Income		
408.11	Property Taxes	10149	9431
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 153494	\$ 177543
	OPERATING INCOME/(LOSS)	\$ 42296	\$ 25201
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 5136	\$ 925
421	Non-Utility Income	750	1264
426	Miscellaneous Non-Utility Income		
427	Interest Expense	(213)	(129)
	TOTAL OTHER INCOME/(EXPENSE)	\$ 5673	\$ 2060
	NET INCOME/(LOSS)	\$ 47969	\$ 27261

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	-----			
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principal	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 32433.50

Meter Deposits Refunded During the Test Year \$ 3604.68

COMPANY NAME Mescal Lakes Water Systems, Inc.	
Name of System:	ADEQ Public Water System Number: 02-052

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-800432	15	80	415	8	2	1975
55-800433 Not in service	5	10	1098	6	N/A	1971
55-561268	15	140	400	8	2	1997

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
7.5	4		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
20,000	1	3,000	1
50,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

See Accountant's Compilation Report

WATER COMPANY PLANT DESCRIPTION (CONTINUED)**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3	PVC	1,870
4	PVC	19,415
5		
6	PVC	44,600
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 x 3/4	531
3/4	2
1	7
1 1/2	
2	14
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NONE

STRUCTURES:

770' OF 6' CHAIN LINK FENCE

24' x 36' BUILDING

OTHER:

ADEQ Public Water System Number: 02-052

COMPANY NAME: <u>Mescal Lakes Water Systems, Inc</u>	
Name of System:	ADEQ Public Water System Number: 02-052

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	0
FEBRUARY	0	0	0
MARCH	0	0	0
APRIL	0	0	0
MAY	0	30	0
JUNE	0	0	0
JULY	0	0	0
AUGUST	0	10	0
SEPTEMBER	0	2	0
OCTOBER	0	12	0
NOVEMBER	0	0	0
DECEMBER	0	0	0
TOTALS →	0	54	0

OTHER (description):

COMPANY NAME: Mescal Lakes Water Systems, Inc.	
Name of System:	ADEQ Public Water System Number: 02-052

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	5	0
FEBRUARY	0	4	0
MARCH	0	3	0
APRIL	0	1	0
MAY	0	6	0
JUNE	0	4	0
JULY	0	2	0
AUGUST	0	3	0
SEPTEMBER	0	2	0
OCTOBER	0	1	0
NOVEMBER	0	4	0
DECEMBER	0	0	0
TOTALS →	0	35	0

OTHER (description):

COMPANY NAME Mescal Lakes Water Systems, Inc.

YEAR ENDING 12/31/2009

PROPERTY TAXES

Amount of actual property taxes paid during Calendar year 2009 was \$ 9,431

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property tax paid, explain why. _____

INCOME TAXES

For this reporting period, please provide the following:

Federal Taxable Income Reported S Corporation
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported S Corporation
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

3/29/10
DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY OF (COUNTY NAME)) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Mescal Lakes Water Systems, Inc.	

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE
ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING**

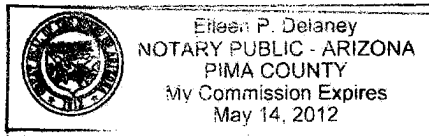
MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE
CURRENT AND PAID IN FULL.**

**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT
AND PAID IN FULL.**

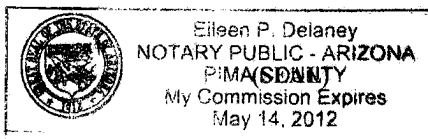


SIGNATURE OF OWNER OR OFFICIAL

520-623-5172
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**
THIS 30 DAY OF MARCH

COUNTY NAME	<u>PIMA</u>
MONTH	<u>2009 2010</u>



MY COMMISSION EXPIRES May 14, 2012

SIGNATURE OF NOTARY PUBLIC

SEE ACCOUNTANTS' REPORT.

INCOME TAXES

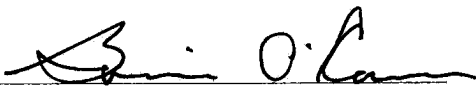
For this reporting period, please provide the following:

Federal Taxable Income Reported	<u>S Corporation</u>
Estimated or Actual Federal Tax Liability	<u></u>
State Taxable Income Reported	<u>S Corporation</u>
Estimated or Actual State Tax Liability	<u></u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	<u></u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

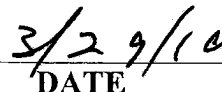
Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE



DATE

Bonnie O'Connor
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

**VERIFICATION
STATE OF**

Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Bonnie O'Connor, Manager
COMPANY NAME
Mescal Lakes Water Systems, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 221778

**(THE AMOUNT IN THE BOX ABOVE
INCLUDES \$ 19034.14
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
520-623-5172
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

COUNTY NAME	PIMA
MONTH	MAR 2010



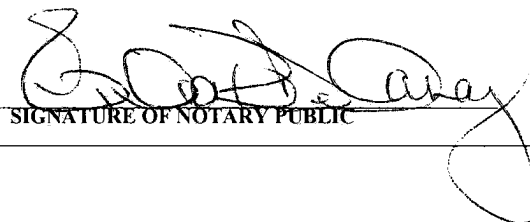
Eileen P. Delaney
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Commission Expires
May 14, 2012

DAY OF

MY COMMISSION EXPIRES

May 14, 2012

See Accountants' Report.


SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

**STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE**

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Bonnie O'Connor	TITLE Manager
COMPANY NAME Mescal Lakes Water Systems, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS. PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01 ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 200,735.61

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 11817.00

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

520-623-5172
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

THIS

DAY OF




Eileen P. Delaney
NOTARY PUBLIC - ARIZONA
PIMA COUNTY
My Commission Expires
May 14, 2012

MY COMMISSION EXPIRES

See Accountants' Report

May 14, 2012

NOTARY PUBLIC NAME EILEEN P. DELANEY	
COUNTY NAME PIMA	
MONTH MARCH	YEAR 2010


SIGNATURE OF NOTARY PUBLIC

MESCAL LAKES WATER SYSTEMS, INC.

P.O. BOX 85160
TUCSON, ARIZONA 85754
(520) 623-5172

Wells Fargo Bank, N.A.
Tucson, AZ 85745

91-527-1221

1/30/2009

PAY TO THE
ORDER OF

Marsha Bonham - Cochise Co. Treasurer

\$ **4,787.87

Four Thousand Seven Hundred Eighty-Seven and 87/100*****

DOLLARS

Marsha Bonham -
Cochise Co. Treasurer
PO Box 1778
Bisbee AZ 85603-2778

VOID AFTER 90 DAYS

MEMO

AUTHORIZED SIGNATURE

⑈002189⑈ ⑆122105278⑆6298530210⑈

MESCAL LAKES WATER SYSTEMS, INC.

2189

Marsha Bonham - Cochise Co. Treasurer

1/30/2009

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
1/21/2009	Bill	938-60-900	4,711.05	4,711.05		4,711.05
1/21/2009	Bill	124-15-626	76.82	76.82		76.82
				Check Amount		4,787.87

2008 SECOND HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Due March 1, 2009

MESCAL LAKES WATER SYSTEMS INC

Parcel Number: 124-15-626 8 Roll Number: 0063799

2

Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS Or

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after 5:00

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only



76.82

2008 SECOND HALF PAYMENT COUPON

DETACH AND RETURN WITH PAYMENT

Due March 1, 2009

MESCAL LAKES WATER SYSTEM

Parcel Number: 938-60-900 6 Roll Number: 0121251

2

Make check payable to:
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

Payment in U.S. FUNDS ONLY

Delinquency Date Second Half Payment

Penalty for late payment is 16% per year
prorated monthly as of the 1st day of the
month for payments postmarked after 5:00
P.M. May 1, 2009 (ARS 42-18052 and ARS
42-18053).

If your mortgage company makes your property
tax payments consider this notice as a courtesy
copy for your records only.



4,711.05

02938609000600000471105

⑈002189⑈ ⑆122105278⑆6298530210⑈
Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

2008 9386090006 2 00000094221000000471105

380,000

83,600

0

2,222.56

ACREAGE:

1.00

JURISDICTION

0121864

SITUS ADDRESS:

NULL

LEGAL DESCRIPTION:

TOTAL VALUE OF OPERATING PROPERTY

124-15-188 4,500 124-15-

531-A 4,500

02000 COCHISE COUNTY

02001 STATE SCHOOL TAX EQU

07009 BENSON SD #9

08150 COCHISE COUNTY JUNIO

10252 SAN PEDRO VALLEY HOS

11900 FIRE DISTRICT ASSIST

14900 COCHISE COUNTY LIBRA

15000 COCHISE COUNTY FCD #

30000 COCHISE CNTY JOINT T

2,271.05

0.00

4,730.83

1,409.18

763.83

68.57

123.14

13.06

42.44

2,209.13

0.00

4,284.54

1,345.67

752.47

60.00

111.30

12.50

41.50

This is the only notice you will receive.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS

9,422.10

9,114.96

938-60-900 6

030539 01 AV 0335 **AUTO T9 0 0786 85745 144132

PAGE 0001 OF 0001 00030296



MESCAL LAKES WATER SYSTEM
EZRA H LEWIS/OWNER
2102 N. FORBES, SUITE 107
TUCSON AZ 85745-1441

PAYMENT INSTRUCTIONS

Pay to the order of the Treasurer, Cochise County, Arizona, 1000 North 1st Avenue, Suite 100, Tucson, Arizona 85724. Payment should be made by check or money order. Payment should be made by the 15th day of the month following the month in which the tax is due. Payment should be made by the 15th day of the month following the month in which the tax is due. Payment should be made by the 15th day of the month following the month in which the tax is due.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

PARCEL NUMBER

Parcel 0786 85745 144132
Parcel 0786 85745 144132

Marsha Bonham -
Cochise Co. Treasurer
PO Box 1778
Bisbee AZ 85603-2778

VOID AFTER 10/7/09

Prop Tax 09 1st 938-60-900

⑈002279⑈ ⑆122105278⑆6298530210⑈

ESCAL LAKES WATER SYSTEMS, INC.

2279

Marsha Bonham - Cochise Co. Treasurer			10/7/2009		
Date	Type	Reference	Original Amt	Balance Due	Discount
10/2/09	Bill	Prop Tax 09 1st	4,557.48	4,557.48	
				Check Amount	
					Payment
					4,557.48
					4,557.48

Wells Fargo Bank Prop Tax 09 1st 938-60-900

4,557.48

ESCAL LAKES WATER SYSTEMS, INC.

2279

Marsha Bonham - Cochise Co. Treasurer			10/7/2009		
Date	Type	Reference	Original Amt	Balance Due	Discount
10/2/09	Bill	Prop Tax 09 1st	4,557.48	4,557.48	
				Check Amount	
					Payment
					4,557.48
					4,557.48

Wells Fargo Bank Prop Tax 09 1st 938-60-900

4,557.48

Marsha Bonham -
Cochise Co. Treasurer
PO Box 1778
Bisbee AZ 85603-2778

VOID AFTER 10/7/09

23



Prop Tax 09 1st 124-15-626

⑈002278⑈ ⑆122105278⑆6296530210⑈

PISCAL LAKES WATER SYSTEMS, INC.

2278

Marsha Bonham - Cochise Co. Treasurer

10/7/2009

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
10/7/09	Bill	Prop Tax 09 1st	85.98	85.98		
				Check Amount		

Wells Fargo Bank Prop Tax 09 1st 124-15-626

2278

PISCAL LAKES WATER SYSTEMS, INC.

2278

Marsha Bonham - Cochise Co. Treasurer

10/7/2009

Date	Type	Reference	Original Amt	Balance Due	Discount	Payment
10/7/09	Bill	Prop Tax 09 1st	85.98	85.98		
				Check Amount		

Wells Fargo Bank Prop Tax 09 1st 124-15-626

2278

ACREAGE:

.00

JURISDICTION

2000
TAXES

2000
TAXES

0064183

SITUS ADDRESS:

LEGAL DESCRIPTION:

MESCAL LAKES UNIT III LOT 368
2-07 LV MAP BOOK

02000	COCHISE COUNTY	34.63	27.17
02001	STATE SCHOOL TAX EQU	0.00	4.76
07009	BENSON SD #9	75.69	14.07
08150	COCHISE COUNTY JUNIO	21.49	22.87
10252	SAN PEDRO VALLEY HOS	13.68	13.68
11217	MESCAL-J-SIX FD	0.00	13.68
11900	FIRE DISTRICT ASSIST	1.23	1.23
14900	COCHISE COUNTY LIBRA	2.21	2.21
15000	COCHISE COUNTY FCD #	3.95	3.95
30000	COCHISE CNTY JOINT T	0.76	4.26

This is the only notice you will receive.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

THIS IS A
CALENDAR YEAR
TAX NOTICE

TOTALS

155.64

171.96

124-15-626 8



ENCLOSURE AT 0357 **AUTO H6 1 0786 85754-516000

PAGE 0001 OF 0001 00064936



MESCAL LAKES WATER SYSTEMS INC
P O BOX 85160
TUCSON AZ 85754-5160

PAYMENT INSTRUCTIONS

To pay the 1st half, please send the enclosed check to the
or send the 1st half payment to the
no later than... To pay the 2nd half, please send the
the 2nd half payment with your payment to the
To pay, please send the full amount of
please send the full amount of \$100.00 to the
payment package and the full amount
will be charged to your account.

Marsha Bonham
Cochise County Treasurer
PO Box 1778
Bisbee AZ 85603-2778

IF YOU DO NOT RECEIVE YOUR CHECK RETURNED, PLEASE
LET US KNOW SO WE CAN RE-PRINT AND MAIL IT.

PARCEL NUMBER

HOLM, HESTAND & VALENZUELA, CPAS, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
3131 NORTH COUNTRY CLUB ROAD, SUITE 109
TUCSON, ARIZONA 85716

DOUGLAS R. HOLM, CPA
EMMA K. HESTAND, CPA
JANETTE G. VALENZUELA, CPA

TELEPHONE: (520) 326-8483
FAX: (520) 795-5191
E-MAIL: HHVCPA@EARTHLINK.NET

COMPILATION ENGAGEMENT REPORT

We have compiled the balance sheets of Mescal Lakes Water Systems, Inc. as of December 31, 2009 and 2008, and the related comparative statements of income and expense for the years then ended, included in the accompanying prescribed form in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

We have also compiled the supplementary information presented in the prescribed form.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission--Utilities Division information that is the representation of management. We have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and the supplementary information are presented in accordance with the requirements of the Arizona Corporation Commission--Utilities Division which differ from generally accepted accounting principles. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Holm, Hestand, Valenzuela CPAs P.C.

March 24, 2010